

SENATE BILL No. 500

May 15, 2007, Introduced by Senators THOMAS, SCHAUER, HUNTER, PAPPAGEORGE, GARCIA, BASHAM, KUIPERS, BISHOP and CLARKE and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled
 "The revised school code,"
 by amending section 1274 (MCL 380.1274), as amended by 2004 PA 588.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1274. (1) The board of a school district or board of
 2 directors of a public school academy shall adopt written policies
 3 governing the procurement of supplies, materials, and equipment **AND**
 4 **CONTRACTS FOR SERVICES.**

5 (2) Except as otherwise provided in subsection (3), a school
 6 district or public school academy shall not purchase an item or a
 7 group of items **OR CONTRACT FOR SERVICES** in a single transaction
 8 costing ~~\$17,932.00~~ **\$19,653.00** or more unless competitive bids are
 9 obtained for those items **OR FOR THE CONTRACT** and the purchase of
 10 those items **OR THE EXECUTION OF THE CONTRACT** is approved by the
 11 school board or board of directors. The maximum amount specified in

1 this subsection shall be adjusted each year by multiplying the
2 amount for the immediately preceding year by the percentage by
3 which the average consumer price index for all items for the 12
4 months ending August 31 of the year in which the adjustment is made
5 differs from that index's average for the 12 months ending on
6 August 31 of the immediately preceding year and adding that product
7 to the maximum amount that applied in the immediately preceding
8 year, rounding to the nearest whole dollar.

9 (3) A school district or public school academy is not required
10 to obtain competitive bids for items purchased through the
11 cooperative bulk purchasing program operated by the department of
12 management and budget under section 263(3) of the management and
13 budget act, 1984 PA 431, MCL 18.1263.

14 (4) The board of a school district or local act school
15 district or board of directors of a public school academy may
16 acquire by purchase, lease, or rental, with or without option to
17 purchase, equipment necessary for the operation of the school
18 program, including, but not limited to, heating, water heating, and
19 cooking equipment for school buildings, and may pay for the
20 equipment from operating funds of the district or public school
21 academy. Heating and cooking equipment may be purchased on a title
22 retaining contract or other form of agreement creating a security
23 interest and pledging in payment money in the general fund or funds
24 received from state school aid. The contracts may extend for not
25 more than 10 years.